

## **DEPARTMENTAL BUDGET INFORMATION**

### **BUDGET DEPARTMENT (12)**

#### **STATEMENT OF PURPOSE**

The Budget Department will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Budget Department analyzes and monitors all necessary financial planning information and makes recommendations so that the City Administration can efficiently deliver quality services to improve public safety, accelerate economic development and maintain structural balance of City finances by bringing costs in line with revenue.

#### **DESCRIPTION**

The Budget Department is primarily responsible for the preparation of the annual operating and capital improvement budgets and the biennial five-year capital agenda. Critical functions are monitoring City revenues and expenditures throughout the fiscal year, and relating financial activity to the plan expressed by the budget and to the long-term strategic direction set for the City. Development, implementation, and coordination of management information systems are essential to all aspects of financial planning and control. Budget Department staff coordinates city employee travel, employee telecommunications approvals, and perform management audits of City operations as staffing levels permit.

#### **MAJOR INITIATIVES FOR FY 2004-05 and FY 2005-06**

To deal with fiscal challenges, Budget staff has increased cost monitoring and operational analysis. Staff still hold regular budget meetings with every agency to control expenditures and improve planning.

Benchmarking and process improvement studies support attempts to consolidate or reduce program costs.

Starting in the Fall of 2005, Budget staff have managed a contract for reengineering of major business processes, funded by Budget Stabilization Bonds. Schumaker and Company, Inc., the Policy Analysis Division have functioned as a joint team working with major departments.

The methodology centers on documentation of the tasks associated with major business processes in field operations. Processes are "mapped" then analyzed for redundancies, risk areas, legal requirements and cost impact. Recommendations have focused variously on employee assignments, the number of relationships among processes, the organizational arrangement of functions, or the need for further evaluation, process improvement, benchmarking or other studies.

The Department of Public Works and the Fire Department were the first departments analyzed, with special attention to solid waste, vehicle management, and dispatch operations.

We partnered with ITS to implement Private Board Exchange (PBX) to replace Centrex phones in city offices, starting with the Cadillac Tower in the summer of 2004, the Coleman A Young Municipal Center in November 2004 and the Herman Kiefer Complex in 2005. We now have the ability to control call features at the desktop level, which is expected to save money after cutover costs are incurred.

The Budget Department now maintains an inventory of all telecommunications devices by name, department, and title. This too has

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allowed a greater level of control and fostered more analysis of cost cutting opportunities. Likewise, travel management has been refined with a new reconciliation process and changes to the application used – all accomplished in-house despite the loss of a staff person in 2004-05. Teams have taken on the responsibility of handling travel reconciliations, which provides an individual response to concerns and issues.

In conjunction with the Annual Public Budget Meetings every fall, Budget staff present information about the budget process to high schools, police community relations and neighborhood organization meetings throughout the city.

The Budget Department continues to provide technical support to agencies. RFP committees served on include: Employee benefits analysis and vehicle pool rental agreement. Budget staff are members of numerous interagency working groups: the Transportation Group, the Department of Administrative Hearings Blight Violations Committee, the Vehicle Management Steering Committee (which budget staff also support), the Procurement Review Committee. Ongoing training seminars for city agencies are held annually: BRASS, performance measurement, and vehicle planning sessions.

#### **PLANNING FOR THE FUTURE FOR FY 2005-06, FY 2006-07 and BEYOND**

The Budget Department has been a leader in the application of new technologies, in outreach and partnerships, and in process

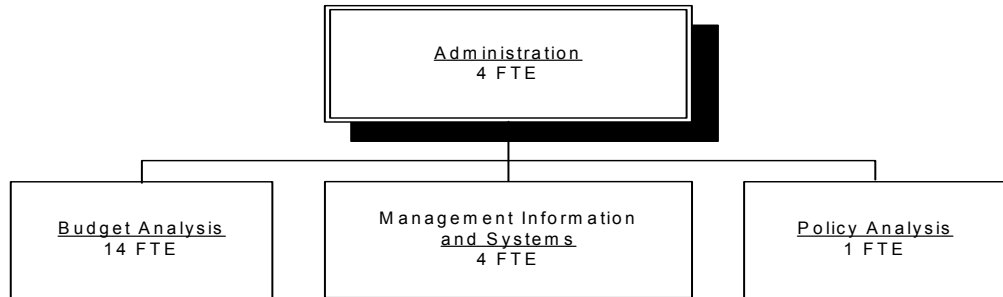
improvement efforts to improve efficiencies and better serve agencies and citizens. As a result, the Department has achieved a high level of professional excellence and innovation.

In 2005, working with Risk Management, staff began an Agency Risk Management Assessment process which will ultimately bring recommendations from the City's Risk Management Council to the budgetary level.

The Budget Department is a winner of the GFOA Distinguished Budget Award for 7 consecutive years, and has a commitment to public sector standards for planning and reporting of financial information. Accordingly, we would like to redesign our Executive Budget, Adopted "Redbook" budget, and Five-Year Capital Agenda documents to make information more user-friendly. In coming years, we will add CD-ROM options to our document distribution. We are also developing standards for document archiving and retention.

In conjunction with renewed efforts at long-term planning in the last few years, we will further integrate geographic information systems (GIS) capability into our processes.

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**PERFORMANCE MEASURES AND TARGETS**

<b>Type of Performance Measure:</b> List of Measures	<b>2003-04 Actual</b>	<b>2004-05 Projection</b>	<b>2005-06 Target</b>	<b>2006-07 Target</b>
<b>Inputs: Resources Allocated or Service Demands Made</b>				
Personnel letters and requisitions evaluated and processed	1,655	1,688	1,605	1,600
Council and Finance Letters evaluated and processed	440	440	370	400
Personal Service Contracts reviewed, evaluated and processed	340	452	161	200
Team site visits to departments	50	100	50	100
<b>Outputs: Units of Activity directed toward Goals</b>				
Agencies attending Budget Request Seminar	39	37	32	40
Management Audit reports completed	3	3	5	6
Average number of days turnaround on Personal Service contracts	14	10	26.7	10
Average number of days turnaround on personnel letters	8	8	16.6	8
Average number of days turnaround on Finance/Council letters	12	11	21.7	11
Average number of days between travel request and approval	7.4	7	6.3	7
<b>Outcomes: Results or Impacts of Program Activities</b>				
Estimated General Fund surplus/deficit as % actual	99%	99%	99%	99%
Total citizen participation in the Citizen Budget Program	829	353	617	800
Department satisfaction ratings (1-5 scale)	4.02	4.00	3.99	4.00

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**EXPENDITURES**

	2004-05 Actual Expense	2005-06 Redbook	2006-07 Mayor's Budget Rec	Variance	Variance Percent
Salary & Wages	\$ 1,764,847	\$ 1,837,449	\$ 1,405,860	\$ (431,589)	-23%
Employee Benefits	1,045,491	1,208,686	829,810	(378,876)	-31%
Prof/Contractual	7,724	10,000	8,000	(2,000)	-20%
Operating Supplies	59,377	59,000	71,586	12,586	21%
Operating Services	246,705	226,381	193,626	(32,755)	-14%
Capital Equipment	10,049	2,494	-	(2,494)	0%
Other Expenses	14,266	11,100	-	(11,100)	0%
<b>TOTAL</b>	<b>\$ 3,148,459</b>	<b>\$ 3,355,110</b>	<b>\$ 2,508,882</b>	<b>\$ (846,228)</b>	<b>-25%</b>
POSITIONS	28	31	24	(7)	0%

**REVENUES**

	2004-05 Actual Expense	2005-06 Redbook	2006-07 Mayor's Budget Rec	Variance	Variance Percent
Sales and Charges	\$ 25,341	\$ -	\$ -	-	0%
<b>TOTAL</b>	<b>\$ 25,341</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0%</b>

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